

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF DELAWARE**

IN THE MATTER OF THE APPLICATION)
OF DELMARVA POWER AND LIGHT COMPANY)
FOR AN INCREASE IN NATURAL GAS) DOCKET NO. 20-0150
BASE RATES (FILED FEBRUARY 21, 2020))

IN THE MATTER OF THE APPLICATION OF)
DELMARVA POWER AND LIGHT COMPANY)
FOR AN INCREASE IN NATURAL GAS) DOCKET NO. 12-546
BASE RATES (FILED DECEMBER 7, 2012))

ORDER NO. 10064

WHEREAS, the Commission has received and considered the Settlement Agreement – Gas Extensions (“Gas Extension Settlement”), which is attached as Exhibit A, entered into by Delmarva Power & Light Company (“Delmarva Power”), the Delaware Division of the Public Advocate (“Public Advocate”), and Staff of the Public Service Commission (“Staff”) (collectively the “Parties”); and

WHEREAS, Order No. 9718, issued January 6, 2021, provided that Docket No. 20-0150 would remain open for the Parties to conduct workshops to explore improvements to the project evaluation process of Delmarva’s Gas Main Extension and Expansion Program; and

WHEREAS, the Parties also agreed that any Commission-approved settlement resulting from these workshops would supersede the Gas Main Extension and Expansion Program approved in Docket No. 12-546; and

WHEREAS, the Parties and their consultants met on multiple occasions subsequent to January 6, 2021 to negotiate revisions to the gas main extension and expansion program that would

include, amongst other items, revised financial models that are more comprehensive and reflective of the actual cost involved to extend or enlarge natural gas service to residential properties; and

WHEREAS, the Parties negotiated the use of imputed revenue to balance the financial risk between shareholders and ratepayers regarding the number of actual penetrations or conversions and the number of penetrations and conversions projected by the new program; and

WHEREAS, the Parties further agreed to new reporting requirements, to revise Delmarva Power's tariffs, to cooperate on marketing materials, and to begin discussions regarding the use of on-bill financing; and

WHEREAS, the other parties involved in the Gas Main Extension and Expansion Program approved in Docket No. 12-546, as well as the only other intervenor in Docket No. 20-0150, have been informed that this matter shall be heard by the Commission at its June 15, 2022 hearing; and

WHEREAS, the Commission has carefully considered the testimony from witnesses representing Delmarva Power and the Public Advocate that adoption of the Gas Extension Agreement is in the public interest and the revised models are just and reasonable because they provide a more accurate accounting of the actual costs involved and that imputed revenue provides a better distribution of risk;

**NOW, THEREFORE, IT IS HEREBY ORDERED BY THE AFFIRMATIVE VOTE OF
NO FEWER THAN THREE COMMISSIONERS:**

1. That the Gas Extension Settlement and its attachments, attached as Exhibit A, are hereby incorporated by reference into this Order and adopted as in the public interest as required by *26 Del. C. § 512(c)*.
2. That Delmarva shall file a compliance tariff no later than twenty (20) days after the issuance of this Order, which tariff leaves shall include the provisions of the Gas Extension

Settlement, and which shall become effective within thirty (30) days after the issuance of this Order.

3. That the Gas Extension Settlement shall supersede the Gas Main Extension and Expansion Program originally approved in Docket No. 12-546.
4. That the Commission reserves the jurisdiction and authority to issue such further Orders as it deems necessary or proper.

BY ORDER OF THE COMMISSION:

Dallas Winslow, Chairman

Joann Conaway, Commissioner

Harold Gray, Commissioner

Manubhai "Mike" Karia, Commissioner

Kim F. Drexler, Commissioner

ATTEST:

Donna Nickerson, Secretary

EXHIBIT A